

# COMMITTEE REPORT

## MADAM PRESIDENT:

The Senate Committee on Judiciary, to which was referred Senate Bill No. 225, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new
- 2       paragraph and insert:
- 3       "SECTION 1. IC 32-29-7-3.5 IS ADDED TO THE INDIANA
- 4       CODE AS A NEW SECTION TO READ AS FOLLOWS
- 5       [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section applies to
- 6       real estate that is the subject of a judgment of foreclosure under
- 7       IC 32-30-10-5 if all or part of the real estate is leased or rented.
- 8       However, this section does not apply:
- 9       (1) to a rental agreement for dwelling units located in
- 10       Indiana;
- 11       (2) if the tenant or lessee is named as a defendant in the
- 12       foreclosure action;
- 13       (3) if the real estate is leased for a period of more than three
- 14       (3) years; or
- 15       (4) if a receiver is appointed under IC 32-30-5.
- 16       (b) This section applies to rental or lease agreements entered
- 17       into, extended, or renewed after June 30, 2009.
- 18       (c) Not later than ten (10) days after the judgment of foreclosure
- 19       on real property described in subsection (a) is entered, the owner
- 20       of the real property shall provide each tenant or lessee with written

1 notice of:

2 (1) the judgment of foreclosure; and

3 (2) the rights of the tenant or lessee under this section;

4 by registered or certified mail.

5 (d) A tenant or lessee of real property described in subsection

6 (a) has the right to terminate the rental or lease agreement upon

7 written notice delivered to the landlord or owner. Termination of

8 a rental or lease agreement under this subsection is effective on a

9 date established by the tenant or lessee, but not earlier than:

10 (1) ten (10) days after the tenant or lessee receives the written

11 notice described in subsection (c); or

12 (2) ten (10) days after the date the judgment of foreclosure is

13 entered, if the tenant or lessee does not timely receive the

14 written notice described in subsection (c).

15 (e) A tenant or lessee who terminates a rental or lease

16 agreement under this section is liable for all rent and other charges

17 due under the rental or lease agreement to the effective date of

18 termination, in an amount that is prorated to the effective date of

19 termination. Rent due under this subsection is payable at the time

20 it would have been payable under the terms of the rental or lease

21 agreement being terminated.

22 (f) Except for the rent and other charges payable as described

23 in subsection (e), a tenant who terminates a rental or lease

24 agreement under this section is not liable for any other rent or

25 charges solely because of the early termination of the rental or

26 lease agreement. However, a tenant or lessee may be liable for

27 other charges if the tenant or lessee causes damage to the rental

28 premises.

29 (g) A tenant or lessee may bring an action in any court having

30 jurisdiction to enforce an obligation of an owner or a landlord

31 under this section, or to obtain a remedy for the owner's

32 noncompliance. If the tenant or lessee prevails in an action brought

33 under this section, the tenant or lessee may recover:

34 (1) actual and consequential damages;

35 (2) reasonable attorney's fees and court costs; and

36 (3) reasonable relocation expenses.

37 (h) A waiver of this chapter by a landlord or current or former

38 tenant or lessee, by contract or otherwise, is void."

- 1           Page 2, line 19, after "into" insert ", **extended**".
- 2           Page 2, line 22, after "IC 32-30-10-5." insert "**However, this section**
- 3           **does not apply if a receiver is appointed in the foreclosure action**
- 4           **under IC 32-30-5.**
- 5           Page 3, line 7, after "agreement." insert "**However, a tenant may**
- 6           **be liable for other charges if the tenant causes damage to the rental**
- 7           **premises.**".
- 8           Page 3, delete lines 18 through 42.
- 9           Delete page 4.
- 10          Renumber all SECTIONS consecutively.  
(Reference is to SB 225 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 8, Nays 0.

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**Bray**

**Chairperson**